

BATA INDIA LIMITED

DIVIDEND DISTRIBUTION POLICY

1. OBJECTIVE

In terms of Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI notification dated July 8, 2016, and in accordance with the requirements of the Companies Act, 2013 and Rules thereof, the Board of Directors of Bata India Limited ('the Company') at its Meeting held on November 25, 2016 has adopted the Dividend Distribution Policy.

2. BACKGROUND

The Company was incorporated as Bata Shoe Company Limited on December 23, 1931 under the Indian Companies Act, 1913 with its Registered Office in Kolkata, West Bengal. The name was subsequently changed to Bata India Limited on April 23, 1973. Bata India Limited has been declaring dividend since 1973, except in the years 1974, 1992, 1994-1997 and 2002-2006. The Company recognizes the need to lay down a broad framework for considering decisions by the Board of the Company, with regard to distribution of dividend to its shareholders and/or retaining or plough back of its profits.

3. EFFECTIVE DATE

The Policy shall be effective from December 1, 2016.

4. DEFINITIONS

- a) "Act" means the Companies Act, 2013, and any statutory modification thereof.
- b) "Company" means Bata India Limited.
- c) "Board of Directors" or "Board", means the collective body of the directors of the Company.
- d) "dividend" includes any interim dividend.
- e) "financial year", means April 1 to March 31 every year.
- f) "free reserves" means such reserves which, as per the latest audited balance sheet of the Company, are available for distribution as dividend:
Provided that—
 - (i) any amount representing unrealised gains, notional gains or revaluation of assets, whether shown as a reserve or otherwise, or
 - (ii) any change in carrying amount of an asset or of a liability recognized in equity, including surplus in profit and loss account on measurement of the asset or the liability at fair value,shall not be treated as free reserves;
- g) "IEPF" means Investor Education and Protection Fund set up by the Government of India.
- h) "MCA" means Ministry of Corporate Affairs.

5. THE REGULATORY FRAMEWORK

The recommendation, declaration and payment of dividend by the Company is subject to the provisions of Sections 123 and 134(3)(k) of the Companies Act, 2013 read with Companies (Declaration and Payment of Dividend) Rules, 2014 and Regulations 12, 29, 42, and 43 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

6. GENERAL POLICY OF THE COMPANY AS REGARDS DIVIDEND

- a) The Board shall determine the payment of dividend in a particular financial year after taking into consideration the following factors:
 - i. Financial performance of the Company, including the Net Profit earned during the current and previous years and also the accumulated profit (loss) of the earlier years.
 - ii. Statutory requirements including the Taxation Laws and other applicable Securities Laws.
 - iii. The level of its liquid assets.
 - iv. Past Dividend trends of the Company.
 - v. Replacement of capital assets, expansion, diversification and modernization projects involving substantial capital expenditure.
 - vi. Required expenditure in R & D.
 - vii. Expectations of shareholders, who generally invest with the hope of getting a constant return.
 - viii. Obligations to Creditors, if any.
- b) The Company may transfer any amount to General Reserve before the declaration of dividend in any financial year as may be decided by the Board. The Company may consider capitalization of profits or reserves of the Company for the purpose of issuing fully paid-up bonus shares, irrespective of declaration of dividend.
- c) In the event of inadequacy of profits, the Board may decide not to declare dividends for that financial year or declare dividend out of free reserves, subject to the compliance of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- d) The Company presently has only one class of shares (Equity shares). Hence, parameters which are required to be adopted for various classes of shares do not apply to the Company.
- e) The Company shall disclose the Dividend Distribution Policy in its Annual Report and shall also post it on the website of the Company. If the Company proposes to declare dividend on the basis of parameters in addition to those mentioned in the policy, it shall disclose such changes alongwith the rationale for the same in its Annual Report and on its website.
- f) Appropriate Dividend Distribution Tax shall be paid before the dividend is distributed amongst the shareholders.

7. MANNER OF DIVIDEND PAYOUT

a) In case of final dividends

- i. The Board shall recommend dividend to the shareholders, which shall be paid subject to approval of the shareholders at Annual General Meetings of the Company.
- ii. Dividends shall be paid only out of current profits or past profits after providing for depreciation and setting off losses, if any.
- iii. The amount of the dividend shall be deposited in a scheduled bank in separate account within 5 days from the declaration of dividend.
- iv. The payment of dividends shall be made within 30 days from the date of declaration to the shareholders entitled to receive the dividend on the record date as per the applicable law.

b) In case of interim dividend

- i. Interim dividend, if any, shall be declared by the Board.
- ii. Before declaring interim dividend, the Board shall consider the financial position of the Company that allows the payment of such dividend.
- iii. In case no final dividend is declared at the Annual General Meeting, interim-dividend will be considered as the final dividend of the Company.

c) Payment mode

Dividend shall be paid by cheque or warrant or in any electronic mode to the shareholders entitled to the payment of the dividend. The Dividend shall be delivered to the shareholders through ordinary post/Registered post/Speed post/courier.

8. UNPAID/UNCLAIMED DIVIDEND

- a) Where a dividend has been declared by the Company but has not been paid or claimed within thirty days from the date of the declaration to any shareholder entitled to receive such dividend, the Company shall, within seven days from the date of expiry of the said period of thirty days, transfer the total amount of dividend which remains unpaid or unclaimed to a special account to be opened by the Company in any scheduled bank to be called as Unpaid Equity Dividend Account.
- b) Any person claiming to be entitled to any money transferred to the Unpaid Dividend Account of the company may apply to the Company for payment of the money claimed.
- c) Any money transferred to the Unpaid Equity Dividend Account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer shall be transferred by the Company to the Investor Education and Protection Fund (IEPF).

- d) The Company shall inform at the latest available address, the shareholder concerned regarding transfer of shares to IEPF, three months before the due date of transfer of shares and also simultaneously publish a notice in the leading newspaper in English and regional language having wide circulation and on their website giving details of such shareholders and shares due for transfer.
- e) Statement of amount of dividend credited to the IEPF, Statement of unclaimed and unpaid amounts due to be credited in coming years, Statement of shares transferred to the IEPF and Statement of shares and unclaimed and unpaid dividend not transferred to IEPF due to specific order of Statutory Authority, shall be filed with MCA in prescribed form.

9. CONCLUSION

The Company shall endeavour to maintain a consistency in dividend payout, every year. The Company may also declare special dividend as and when there are exceptional gains by the Company. The Board shall finalize the rate of such special dividend. The focus of the Company is to declare a Policy on distribution of dividend so that the investor may know as to when and how much dividend they may expect.

10. AMENDMENT

The Dividend Distribution Policy is subject to modification by the Board from time to time, to be in the line with the best industrial practices and to ensure conformity with the subsequent amendments in the Act, Rules, Regulations and Notifications issued by various Statutory Authorities, from time to time. 
